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November 7, 2012

VIA ELECTRONIC FILING

Jocelyn Boyd, Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

**Re: Progress Energy Carolinas, Inc.'s Petition to Revise Its Electric
Utility Plant Depreciation Expense Rates
Docket No. 2012-___-E**

Dear Mrs. Boyd:

On behalf of Progress Energy Carolinas, Inc. ("PEC"), enclosed please find for filing with the Commission a Petition for an Accounting Order to adopt new depreciation rates effective January 1, 2010. By copy of this letter we are serving the same on the Office of Regulatory Staff.

The result of the new study is a reduction of PEC's annual depreciation expense in the amount of \$12.4 million for all accounts. The reduction is primarily due to an overall increase in the expected life of assets.

If you have any questions, please let me know.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Timika Shafeek-Horton' with a stylized flourish at the end.

Timika Shafeek-Horton

TSH/bml
Enclosures

cc: Dan F. Arnett, ORS Chief of Staff (via email)
Nanette Edwards, ORS Attorney (via email)

Progress Energy Service Company, LLC
P. O. Box 1551
Raleigh, NC 27602

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2012 - ____ - E

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|--|---|--------------------------------------|
| IN RE: |) | |
| |) | |
| Petition of Progress Energy Carolinas, Inc. |) | PETITION FOR ACCOUNTING ORDER |
| For an Accounting Order to Adopt New |) | |
| Depreciation Rates Effective July 1, 2012 |) | |

Progress Energy Carolinas, Inc. (hereinafter "Progress Energy Carolinas" or "Company") hereby petitions the Public Service Commission of South Carolina ("Commission") pursuant to S.C. Code Ann. Sections 58-3-140, 58-27-140, 58-27-1540, and 58-27-1550, 26 S.C. Regs. § 103-825 for an accounting order allowing it to adopt new depreciation rates effective July 1, 2012. In support of this Petition, Progress Energy Carolinas shows the Commission the following:

1. The correct name and post office address of the Company are:

Progress Energy Carolinas, Inc.
410 South Wilmington Street
Raleigh, North Carolina 27601

2. The name and address of the attorney for Progress Energy Carolinas who is authorized to receive notices and communications with respect to this petition is:

Timika Shafeek-Horton
Deputy General Counsel
Duke Energy Carolinas, LLC
550 South Tryon Street, DEC45A

Charlotte, North Carolina 28202
Tel: 704-382-6373
Fax: 980-373-8534
Timika.Shafeek-Horton@duke-energy.com

3. The Company is engaged in the generation, transmission, distribution, and sale of electric energy at retail in the eastern portion of South Carolina and the eastern and western portions of North Carolina. It also sells electricity at wholesale to many municipal, cooperative and investor-owned electric utilities. Progress Energy Carolinas is a public utility under the laws of South Carolina and is subject to the jurisdiction of this Commission with respect to its operations in this State. The Company also is authorized to transact business in the State of North Carolina and is a public utility under the laws of that State. Accordingly, its operations in North Carolina are subject to the jurisdiction of the North Carolina Utilities Commission.

4. Progress Energy Carolinas' depreciation rates were last changed in Order No. 2004-599, issued on December 8, 2004, in Docket No. 2004-71-E. As a result of normal periodic review of the Company's depreciation rates for compliance with General Accepted Accounting Principles Progress Energy Carolinas commissioned a study of its depreciation rates. Based on the results of this study, the Company has determined that it is appropriate to update its depreciation rates.


5. Progress Energy Carolinas completed a depreciation expense study of its utility plant as of December 31, 2010 that is attached as Exhibit A. The results of the study indicate an annual reduction in depreciation expense, on a system-wide basis, of approximately \$12.4 million. Progress Energy Carolinas intends to use the results of this depreciation study for its third quarter depreciation expense.

6. Adoption and implementation of the new depreciation rates will not involve a change to any Progress Energy Carolinas rates at this time, or to any Commission rule, regulation or policy. In addition, issuance of the accounting order does not prejudice any party's right to address this issue in a subsequent general rate case proceeding. Progress Energy Carolinas respectfully requests that the accounting order be made effective as of July 1, 2012.

7. S.C. Code Section 58-27-870(F) (Supp. 2011) allows the Commission to put new rates into effect without notice and hearing upon its order when the rates do not result in any rate increase.

Therefore, Progress Energy Carolinas respectfully requests that the Commission issue an accounting order retroactively effective as of July 1, 2012, without notice and hearing pursuant to S.C. Code Section 58-27-870(F) (Supp. 2011) and such other relief as the Commission deems appropriate.

Respectfully submitted the 7th day of November, 2012.



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